



VA Fixed and Adjustable Rate

See full Product Guide for complete information.

Revised 09-28-21

Given the current situation associated with COVID-19, refer to Credit Policy 20-07 for temporary guidance related to certain credit, income and collateral requirements.

Maximum Loan Amount	LTV
Purchase	
Loan amount is based on the lower of the appraised value or purchase price plus funding fee, if financed.	Maximum 100% LTV plus funding fee
Cash Out Refinance	
Loan amount is based on the appraised value including the funding fee.	Maximum 100% LTV including funding fee
<ul style="list-style-type: none"> • When the base loan amount exceeds the conforming loan limits based on the number of units (including AK/HL limits), the loan must utilize the jumbo product codes. • Reference CP19-59 for VA loan amount calculations for borrowers that have full entitlement or partial entitlement. • Origination fee is based on total loan amount (including VA funding fee, if financed). 	

Amortization	<ul style="list-style-type: none"> • 10, 15, 20, 25, 30 Year • 30 Year only for ARM transactions • Odd terms allowed for FRM transactions only 			
Secondary Financing	<ul style="list-style-type: none"> • Secondary financing is acceptable as long as the Veteran is not placed in a substantially worse position than if the entire amount borrowed had been guaranteed by VA and meets the requirements within VA Lender Handbook 9.4.b • Any existing second liens must be re-subordinated. • For cash-out refinance transactions, any eligible subordinate financing may remain in place; however, it must be re-subordinated to the VA-insured first mortgage. 			
Eligible Properties	<ul style="list-style-type: none"> • 1-4 Units • Warrantable Condo, PUD, Townhouse • Properties in Lava Zones 1 & 2 <ul style="list-style-type: none"> - Must follow VA Local Requirements • Manufactured Housing <ul style="list-style-type: none"> - Minimum double-width - Must not have been previously installed or occupied another site or location. • Leaseholds – Permitted on a case by case basis <ul style="list-style-type: none"> - All Leaseholds must have approval from VA prior to issuance of NOV or final approval for IRRRL transactions 			
Ineligible Properties	<ul style="list-style-type: none"> • Non-warrantable Condo/PUD/Townhouse • Manufactured Housing Leaseholds • Properties with deed restrictions (other than VA acceptable Age Restricted properties) • Any other ineligible properties as defined in the VA lenders handbook • Timeshare • Working Farm 	<ul style="list-style-type: none"> • Mixed Use • Mobile Home • Cooperative • Condo/PUD Hotel • Commercial Property • Properties that have been assumed by non-veterans • Life Estates • Community Land Trust 		
Occupancy	Primary Residence <ul style="list-style-type: none"> • 1-4 Unit • One unit must be occupied by veteran 	Secondary/Vacation <ul style="list-style-type: none"> • Not Permitted 	Investment Property <ul style="list-style-type: none"> • Not Permitted 	Condos <ul style="list-style-type: none"> • Must be VA approved
Refinance Transactions	Rate and Term Refinance <ul style="list-style-type: none"> • Refer to the VA IRRRL FRM and ARM product guides Cash Out Refinance <ul style="list-style-type: none"> • Must currently have a valid lien, must not be owned free and clear. VA Funding Fee may be included in the mortgage amount. • Borrowers may not receive any cash back at closing for properties located in Texas. • Borrower(s) must have made a minimum of six (6) months of mortgage payments on the loan being refinanced beginning with the date on which the first payment is due, AND the Note date of the refinance loan occurs no earlier than 210 days after the date on which the first payment is due on the mortgage being refinanced. • Documentation confirming that the borrower has made all payments on time during the month due and that 210 days have passed since the first payment due date is required in all loan files. 			

Refinance Transactions	<p>Cash Out Refinance - Net Tangible Benefit (NTB)</p> <ul style="list-style-type: none"> The new loan must provide a net tangible benefit to the borrower by satisfying at least one of the following eight (8) financial benefits: <ul style="list-style-type: none"> - Reduced term - Reduced payment - Reduced interest rate - Increase to borrower's monthly residual income - Refinances an interim construction loan for primary home - LTV ≤ 90% of the reasonable value of the home - Refinances an adjustable rate loan to a fixed rate - Eliminates monthly mortgage insurance 																						
Underwriting	<p>Automated Underwriting:</p> <ul style="list-style-type: none"> All loans are required to be submitted to DU or LPA Eligible AUS Recommendation <ul style="list-style-type: none"> - DU Approved/Eligible - LP Accept All borrower(s) with Refer/Caution recommendations must be manually underwritten Transactions that require VA's Prior Approval must be manually underwritten by VA regardless of any AUS approval. Refer to Credit Policy Announcement 19-30 for additional details. <p>Ratios:</p> <ul style="list-style-type: none"> Maximum DTI will follow the AUS recommendation or Manual Underwriting requirements, as applicable. Ratios for a Manual Underwrite are permitted in accordance to VA Lender Handbook Chapter 4, 10-b, not to exceed 43% with the following requirement: <ul style="list-style-type: none"> - A ratio greater than 41.00% will require 120% residual income - Loans with ratios that increase above 43% after submission due to income reconciliation are ineligible. <p>Credit Profile:</p> <ul style="list-style-type: none"> Tri-merged credit report is required. Minimum risk score of 580 for each borrower for both Standard and Jumbo transactions. Minimum risk score of 640 for Manufactured Housing. Refer to Credit Policy Announcement 19-24 for additional information regarding borrower's credit history. 																						
VA Funding Fee	<table border="1" data-bbox="293 919 1549 1182"> <thead> <tr> <th colspan="4">VA Funding Fee Table</th> </tr> <tr> <th>Loan Type</th> <th>LTV</th> <th>Percentage for First Time Use</th> <th>Percentage of Subsequent Use</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Purchase or Construction</td> <td>95.01% - 100%</td> <td>2.30%</td> <td>3.60%**</td> </tr> <tr> <td>90.01% - 95.0%</td> <td>1.65%</td> <td>1.65%</td> </tr> <tr> <td>90.0% or less</td> <td>1.40%</td> <td>1.40%</td> </tr> <tr> <td>Cash Out Refinance</td> <td>Max 100%</td> <td>2.30%</td> <td>3.60%**</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Refer to LTV and credit score sections above for additional requirements. **The higher subsequent use fee does not apply to these types of loans if the Veteran's only prior use of entitlement was for a manufactured home loan. Legislation will index the VA guaranty amount so as the Agency loan limits increase (1-unit only) each year, the amount of the VA guaranty will also adjust the VA loan limit to equal the Agency maximum loan amounts. 	VA Funding Fee Table				Loan Type	LTV	Percentage for First Time Use	Percentage of Subsequent Use	Purchase or Construction	95.01% - 100%	2.30%	3.60%**	90.01% - 95.0%	1.65%	1.65%	90.0% or less	1.40%	1.40%	Cash Out Refinance	Max 100%	2.30%	3.60%**
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